

DECISION



THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-217421

FILE:

DATE: September 30, 1985

American Airlines Training Corporation

MATTER OF:

DIGEST:

1. Air Force properly did not impute the costs of government-provided aircraft taxi time to awardee's proposal for air crew training, where the protester has failed to show that the taxi time exceeds that which would be incurred in support of any other offeror's proposal.
2. Where the solicitation's evaluation scheme stated that offerors' proposed training programs for C-5 crew members would be evaluated to determine the number of government-provided aircraft training hours needed to support the programs, and protester proposed no training hours for several courses, the Air Force properly could determine that some actual flight training hours are needed, and record supports conclusion that awardee's program needed less flight training hours than the protester's.
3. Air Force reasonably escalated the evaluated costs of government-provided aircraft training hours needed to support offerors' proposed training programs where the solicitation's evaluation scheme, while failing to explicitly state such costs would be escalated, did say costs would be evaluated over the life of the program and instructions to the offerors expressly stated that the life cycle costs of aircraft training hours would be evaluated. The solicitation provisions were sufficient to put the protester on notice of the actual basis for evaluation, or at least to have required the protester to inquire.

D33376

American Airlines Training Corporation (American) protests the award of a contract to United Airlines Aircrew Training, Inc. (United) under request for proposals (RFP) No. F33657-84-R-0052, issued by the Air Force. American argues that the evaluation of proposals particularly with respect to cost, was improper; it also argues that the Air Force did not conduct adequate discussions. We deny the protest.

The RFP contemplated a firm fixed price contract to provide a training system for C-5 aircraft crews. In addition, the RFP included options to supply equipment for the training and to provide training services through fiscal year 1999. The RFP required offerors to guarantee that, after taking the contractor's courses, crew members would meet qualification standards commensurate with the level of training. The RFP provided that any retraining necessary to meet the standards would be the contractor's responsibility, at no additional cost to the Air Force. While training in actual aircraft is to be conducted by Air Force personnel in Air Force planes and was excluded from the scope of work, the RFP provided that offerors could condition their guarantee upon the Air Force's providing a minimum number of in-aircraft training hours.

The RFP set forth three major evaluation factors-- Training Capability, Schedule/Management, and Cost--and specifically stated that Training Capability was the most important major factor while Schedule/Management and Cost were of lesser importance, but were equal to each other. Cost encompassed two factors: 1) the total offered price for the basic training system plus the price of all options, including adjustments to reflect life cycle costs; and 2) the costs of government-provided aircraft training. The RFP explained that the Air Force's costs of providing such training would be imputed to the offer, and that the proposed number of flight hours would be adjusted for evaluation purposes if they were unrealistic or inconsistent with the offeror's proposed training system. The request for best and final offers further instructed offerors to provide all "conditions (e.g., number of aircraft hours [to be provided by the Air Force] required per qualification level (broken out by ground, taxi and

flight)" upon which their guarantee was premised. The RFP contained the following clause regarding aircraft training hours:

(2) Aircraft Training Cost - This factor will evaluate the costs of both flight and ground (static) aircraft training hours each offeror proposes with his training system. Each proposed flight hour, calculated in accordance with [Air Force Regulation (AFR)] 60-1, will be costed at \$10,000/hour; proposed ground training hours will be costed at \$1,000/hour. Proposed hours will be evaluated technically, and adjustments to this cost factor will be made if the hours are unrealistic or inconsistent with the proposed system.

The cost of the protester's offer for the basic item plus the options, including life cycle costs, was approximately \$264 million, about \$54 million less than United's evaluated offer of approximately \$318 million. In its evaluation of aircraft training costs, however, the Air Force imputed approximately \$252 million to American's offer and \$197 million to United's; United's offer was evaluated to cost about \$515 million and American's offer slightly less than \$1 million more. The aircraft training costs did not simply reflect the number of hours proposed by the offerors as a condition of their guarantees, but included additional hours the Air Force judged necessary to qualify crew members under each offeror's proposed training system, plus escalation to reflect life-cycle costs.

The Air Force decided to award United the contract based on its evaluated superior Training Capability and Schedule/Management as well as its lower total life cost.

American's first allegation concerns the evaluation of United's proposed "taxi" time. United's proposal specified, in addition to flight or ground hours, .5 hours of taxi time for each level. A footnote explained that taxi time "includes and is approximately equal to the ground movement and maneuvering time of the aircraft prior to and subsequent to the required flight time." American did not propose any taxi time. The Air Force did not attribute any cost for taxi time to United's offer because it decided such time basically reflected the time to taxi from the ramp to the runway before takeoff and to return from the

runway after landing. The Air Force concluded that taxi time would be incidental to the flight hours proposed by any of the offerors and should not be evaluated because, as quoted above, the RFP's Aircraft Training Cost evaluation factor stated that only flight and ground (static) hours calculated in accordance with AFR 60-1, would be attributed costs; that regulation defines flight time to exclude such taxi time.^{1/}

American essentially argues that United's proposed half hour of taxi time exceeds the amount of time normally incidental to flight, and that it was therefore improper for the Air Force to disregard the alleged additional costs of United's offer. The protester, however, does not offer any proof for its assertion that a half hour exceeds normal taxi time. We therefore regard the assertion as being speculative. The protester bears the burden of proof, and unsupported allegations do not meet that burden. Alan Scott Industries, B-219096, June 20, 1985, 85-1 CPD ¶ 706. Moreover, the RFP specifically advised that while only flight and ground (static) hours would be attributed costs, stated aircraft training hours should be "broken out by ground, taxi and flight." In light of American's failure to state any taxi time, and in the absence of clear proof that United's proposed half hour of taxi time significantly exceeds the actual taxi time incidental to flight, we have no basis to question the Air Force's judgment that United's offer reflects the same taxi time as would be incurred in any event.

American also complains that the Air Force unreasonably evaluated its proposal as needing more aircraft training hours than proposed. The protester argues that the Air Force was unreasonable in its judgment that the four levels for which American proposed zero hours would require actual flight training. In this regard, the

1/ "AFR 60-1, instructing how to record the total elapsed time for a flight, states:

"Flying time for any one flight starts when the aircraft begins to move forward on takeoff roll and ends when the aircraft is on the ground, after being airborne, and any of the following conditions occur: (a) the engines are stopped and the shutdown occurs at or before five minutes after touchdown; (b) the aircraft has been on the ground for five minutes after touchdown; or (c) a change is made in the crew. . . ."

protester points out that a stated purpose of the RFP was to obtain a training program that would minimize actual aircraft use, and alleges that comparable standards for commercial airline crew do not require flight training. The Air Force responds that while minimizing aircraft use was a goal, the primary goal was to provide qualified crew members, and American's proposed zero training hours were inconsistent with that goal. The Air Force further responds that commercial standards are not useful to the Air Force (for one reason because its crew are typically less experienced), and that in any event the protester's interpretation of those standards is incorrect.

To evaluate aircraft training hours, the Air Force had its training experts develop a base-line number of such hours for each course. The same experts used this base line to assess the number of hours that would be required under each offeror's proposed system. The following chart indicates the base line for each course (in parentheses), and compares the offerors' proposed number of aircraft training hours on which they conditioned their guarantees with the number of hours the Air Force determined would be required under the offerors' proposed systems:

<u>Course Level</u>	<u>American</u>		<u>United</u>	
	Proposed	Required	Proposed	Required
Pilot Initial (2.5)	3	3	1.5	2
First Pilot (2.5)	0	2	1.5	1.5
Aircraft Commander (1.5)	0	1.5	1.5	1.5
Pilot Requalification (1.5)	0	1.5	1.5	1.5
Instructor Pilot (3)	0	3	1.5	1.5
Pilot Senior Officer (1.5)	2	2	1.5	1.5
Flight Engineer Initial (10)	4.5	10	6	10

Relying on the base-line number of aircraft training hours, the Air Force consistently decided that each course (listed above) would require some actual aircraft training hours.

We do not believe that this determination has been shown to be unreasonable. The RFP expressly provided for the government to evaluate and adjust offerors' proposed training hours based on a review of their realism and consistency with the proposed system. Further, we have recognized that, with regard to items for critical human safety, an agency may define its needs to allow for the highest possible reliability and effectiveness. Information Systems & Networks Corps., B-218642, July 3, 1985, 85-2 CPD ¶ 25. Therefore, we will not question the the Air Force's belief that actual flight hours would be required as part of the training program for its aircrew members to attain the desired levels of proficiency in the absence of a clear showing that the Air Force's position is arbitrary. The protester simply has not made such a showing--the Air Force has provided a reasonable explanation for its unwillingness to rely on commercial airline standards, and the fact that the Air Force sought to minimize actual flight time does not establish that some flight hours are not needed.

The protester maintains that even if additional hours must be applied, it is inconceivable that more hours should be applied to its proposal than United's. The protester points out that the awardee is a newly-formed firm that has no previous experience, while the RFP's Evaluation Factors for Award stated that past performance data, available from whatever source, would be important wherever relevant. The protester's point appears to be that it was unreasonable for the Air Force to conclude that training provided by an experienced firm would require more actual flight hours than training provided by a new firm.

Although the awardee is a new corporation, the protester does not dispute the Air Force's position that the awardee's parent corporation committed such additional management and personnel as required to accomplish the training program effectively, or that the parent corporation has extensive training experience. In evaluating a new business, the contracting agency properly may consider the experience of such personnel. See Data Flow Corp., et al., 62 Comp. Gen. 506 (1983), 83-2 CPD ¶ 57. Accordingly, we find no merit to this argument.

In addition to questioning United's experience, the protester also contends that the Air Force has failed to specify deficiencies in American's proposed training program that justify evaluating American's program as requiring more aircraft training hours than United's. As

is evident from the chart above, both offerors proposed flight hours for certain courses that were below the Air Force base lines. The Air Force accepted, for evaluation purposes, United's proposed flight hours that were below the base lines for two courses; it did not accept American's proposed zero hours for any course, although it accepted a number below the base line for one course.

The record shows that the Air Force only accepted a lower number than the base-line number where, in the Air Force's judgment, particular strengths and innovations in the offeror's proposed program merited such a reduction. The Air Force evaluated United's program as requiring less aircraft training hours than American's for two courses where the Air Force evaluated American's proposal as needing more hours. The Air Force's evaluation summaries and source selection authority's recommendation (not released to the protester) show that the Air Force considered American to be well qualified and its proposed training system to be acceptable, but that United's proposal clearly provided a better training system that would require less aircraft training hours. Although the Air Force failed to provide us with the full text of the offeror's proposals, we are satisfied that the evaluation documents provide a reasonable basis, consistent with the RFP's stated evaluation scheme, for the Air Force's judgment. As indicated previously, the contracting agency has considerable discretion in defining its needs, for the purpose of evaluating aircraft training hours, to allow for the highest possible reliability and effectiveness. See Information Systems & Network Corp., supra; Fenwal, Inc., B-202283, Dec. 15, 1981, 81-2 CPD ¶ 469.

Lastly, the protester contends that the Air Force escalated aircraft training costs (to reflect future costs) in violation of the RFP's stated evaluation scheme which stated that flight hours would be evaluated to cost \$10,000/hour and ground hours \$1,000/hour. It appears that without escalation, United's total evaluated cost would have been approximately \$9 million more than American's.

The Evaluation Factors for Award did explain that the cost area of evaluation would encompass the cost of each offeror's proposal over the life of the program, but was not explicit regarding whether the life cycle costs of aircraft training hours would be evaluated. The RFP's Instructions to Offerors, however, stated that the life cycle costs of flying hours would be taken into consideration. We believe that this statement, in conjunction with

the evaluation plan's explanation that costs would be evaluated over the life of the program, reasonably placed offerors on notice that the life cycle costs of aircraft training hours would be evaluated. If American believed that the evaluation factors precluded this evaluation approach, then, in light of the language in the Instructions to Offerors that explicitly stated the opposite, it should have inquired as to what was intended, particularly if, as the protester suggests, the treatment of aircraft training hours affected its pricing strategy. See Arrow Engineering, Inc., B-215585, Dec. 26, 1984, 84-2 CPD ¶ 702. In this regard, we find American's allegation that the treatment of aircraft training hours affected its pricing strategy, an allegation American does not further explain, to be inconsistent with its proposing zero training hours for four courses as a condition of its guarantee, since escalation or non-escalation would be irrelevant if the zero hours proposed were accepted by the Air Force.

The protester also complains that the Air Force failed to discuss with American the effects of its proposed zero training hours. American, in its initial proposal, proposed more flight hours than the Air Force required. These proposed flight hours were eliminated in American's best and final offer. The protester alleges that it reduced the hours at the Air Force's request, and the Air Force never indicated that the reductions would be disadvantageous for American. The Air Force disputes that assertion.

As stated previously, the protester bears the burden of proof. Alan Scott Industries, B-219096, supra. Therefore, where the only evidence concerning a question of fact consists of the conflicting statements of the protester and the contracting agency, we will accept the contracting agency's version. Professional Review of Florida, Inc., et al., B-215303.3, et al., Apr. 5, 1985, 85-1 CPD ¶ 394. Accepting that American did not indicate its intention to reduce its originally proposed flight hours until its best and final offer, we point out that discussions are not required after the submission of best and final offers. Lanier Business Products of Western Md., Inc., B-214468, July 23, 1984, 84-2 CPD ¶ 85. In any event, we note that where a proposal is considered acceptable and within the competitive range, as was the case here, the contracting agency is under no obligation to discuss every aspect of

the proposal receiving less than a maximum ranking. Bank Street College of Education, 63 Comp. Gen. 393 (1984), 84-1 CPD ¶ 607; aff'd, Bank Street College of Education-Request for Reconsideration, B-213209.2, Oct. 23, 1984, 84-2 CPD ¶ 445.

We have carefully reviewed the protester's allegations, the Air Force's responses, and the evaluation record in this case. Based on that review, we find no basis to conclude that the Air Force's actions were improper. Therefore, the protest is denied.

Harry R. Van Cleve
Harry R. Van Cleve
General Counsel